

## BUREAU OF INTELLIGENCE AND RESEARCH - ANALYSIS - JANUARY 16, 1982

1. USSR: BLUNTING WESTERN REACTION TO POLAND

The Kremlin probably calculates that it has weathered the worst of Western reaction to martial law in Poland. Moscow will seek to limit further damage by continuing to remind our Allies of their vested interests in detente and trade, in an effort to foster resistance to further US initiatives. The Soviets will also hint at the possibility of progress on arms control to temper Western reaction.

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The Kremlin will use every opportunity to probe and exploit differences between the US and its Allies over Poland. The Gromyko-Czyrek communique earlier this week strongly rejected the NATO statement of January 11, but expressed only mild regret over the EC-10 statement of January 4. Moscow will have noted with satisfaction the January 13 Schmidt-Mitterrand understanding that Bonn and Paris should concentrate on political signals and not resort for the present to concrete economic measures.

Soviet media can be expected to persist in portraying Washington as interfering, overreacting, and overbearing, and at heart intent on deepening the crisis so as to enforce Alliance unity and undermine arms control talks. The Czyrek-Gromyko communique laid heavy emphasis on the need for progress in CSCE/CDE, INF, and START. The Soviets may even follow through with some hints of willingness to compromise as the talks unfold.

The Soviets will make the most of any moderation of the martial law regime and portray the situation in Poland as steadily normalizing. While Moscow expects continuing criticism from the West, it probably is hopeful that it can avoid further sanctions and the breakdown of arms talks if the Polish internal situation does not deteriorate further. To this end, Moscow may even be working through the Hungarians to try to devise a regime that is not totally obnoxious to the Polish populace.

The soft currency credits worth roughly \$3.8 billion which Moscow has granted Warsaw are probably designed to keep the Polish economy afloat, increase its dependence on Moscow, and reduce the chance of violent unrest. Without actually contributing any hard currency, Moscow probably calculates that the credits will stimulate hope among Western bankers that their loans will eventually be paid off. Moscow and Warsaw may hope that the banks will play a behind-the-scenes role in moderating or heading off any further governmental sanctions against Poland. Warsaw officials already have warned that sanctions will only further delay repayments.

State Dept. review  
completed

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